

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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December 7, 2004

FROM: **GERRY NEWCOMBE**, Deputy Administrative Officer
County Administrative Office

SUBJECT: **GLEN HELEN PAVILION – REDUCTION OF DEBT**

RECOMMENDATION: Authorize the early reduction of \$3.8 million in outstanding principal of the 2003 Series B Auction Rate Note Refinancing relating to the Glen Helen Pavilion (taxable).

BACKGROUND INFORMATION: Current Board policy is to pursue refinancing of existing debt whenever possible and to use savings from such refinancings to further reduce the County's overall bonded indebtedness. During Fiscal Year 2001-02, the Board authorized the refinancing of the 1992 West Valley Detention Center project. This refinancing will generate \$2.0 million in general fund savings in fiscal year 2004-05. The 2004-05 final budget authorized the use of these savings, along with \$1.8 million in interest rate savings on variable rate debt from 2003-04, for reduction of \$3.8 million of the 2003 Auction Rate Notes relating to the Glen Helen Pavilion taxable debt.

The Trustee, Wells Fargo, will apply the \$3.8 million to reduce the outstanding principal in accordance with the provisions of the Trust Agreement governing the 2003 transaction. The CAO's office will provide any necessary direction to the Trustee and execute any required documents to effectuate the reduction in debt.

REVIEW BY OTHERS: This item has been reviewed and approved by County Counsel (Michelle Blakemore, Deputy County Counsel) on November 22, 2004 and the County Administrative Office (Katrina Turturro, Administrative Analyst) on November 22, 2004.

FINANCIAL IMPACT: This action will produce a reduction of annual interest expense on the Glen Helen debt by an average of \$70,000 over the next 20 years and decrease in total debt service an average of \$260,000 per year over the next 20 years.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Gerry Newcombe, Deputy Administrative Officer

Record of Action of the Board of Supervisors

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